

# FIRST UNION RAIL

One O'Hare Centre  
6250 River Road, Suite 5000  
Rosemont, IL 60018

Tel 847.318.7575  
Fax 847.318.7588

VIA UPS 2<sup>ND</sup> DAY AIR

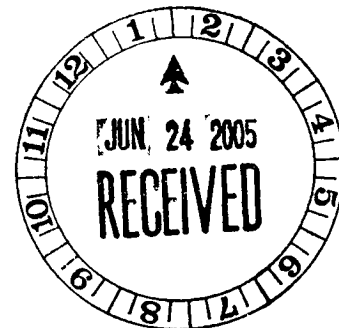
RECORDATION NO.

25664-A  
FILED

JUN 24 '05

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SURFACE TRANSPORTATION BOARD



June 22, 2005

Mr. Vernon E. Williams  
Surface Transportation Board  
1925 K Street, N.W., Room 704  
Washington, DC 20423-0001  
Attn: Recordation of Railroad Equipment

**Re: Memorandum of Lease Agreement**

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are one (1) original and two (2) copies of a Memorandum of Lease Agreement, dated May 27, 2005, a secondary document as defined in the Board's Rules for the Recordation of Documents. The enclosed document relates to the Memorandum of Lease which was duly filed with the Board on this date as Recordation Number \_\_\_\_\_.

The names and addresses of the parties to the enclosed document are:

Lessor: First Union Rail Corporation  
One O'Hare Center  
6250 River Road, Suite 5000  
Rosemont, IL 60018

Lessee: Tolko Industries, Ltd.  
3203 - 30<sup>th</sup> Avenue  
PO Box 39  
Vernon, BC V1T 6M1  
Canada

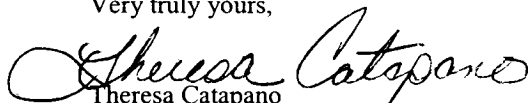
A description of the railroad equipment covered by the enclosed document is fifty-six (56) centerbeam rail cars 268 GRL, marked CBRY and NOKL (see Exhibit A for car numbers).

A short summary of the document to appear in the index follows: Memorandum of Lease

Also enclosed is a check in the amount of \$33.00 payable to the order of the Surface Transportation Board covering the required recordation fee. Kindly return one (1) stamped original of the enclosed document to the undersigned along with the additional copies.

If you have any questions or concerns regarding the above-referenced matter, please feel free to contact me at (847) 384-5375. Thank you for your cooperation in this matter.

Very truly yours,

  
Theresa Catapano  
Manager of Documentation

Enclosures

(TOLK008)

JUN 24 '05

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ASSGN. NO.: TOLK008

## MEMORANDUM OF LEASE

SURFACE TRANSPORTATION BOARD

27th THIS MEMORANDUM OF LEASE (the "Memorandum") is made and entered into as of this the 27th day of May, 2005, by and between FIRST UNION RAIL CORPORATION (the "Lessor"), a North Carolina corporation, and TOLKO INDUSTRIES LTD, (the "Lessee") a Canadian corporation.

## WITNESSETH:

The undersigned Lessor and Lessee have entered into that certain Lease Agreement (the "Lease"), dated as of September 13, 1999, whereby Lessor has agreed to lease to Lessee certain railcars pursuant to Rider No. 1 to the Lease (the "Rider"), as described in more particular on Exhibit A attached hereto, effective as of October 1, 2000, and subject to the terms, conditions and provisions of the above-mentioned Lease and Rider.

IN WITNESS WHEREOF, the parties hereto have each caused this Memorandum to be duly executed under seal by their respective officers duly authorized as of the date and year first above written.

LESSOR:

FIRST UNION RAIL CORPORATION

By: Richard E. SeymourName: RICHARD E. SEYMOUR  
Vice President Sales & Marketing

Title: \_\_\_\_\_

ATTEST:

By: Theresa CatapanoName: THERESA CATAPANOTitle: MGR. OF DOCUMENTATION Executed on this 27th day of MAY, 2005

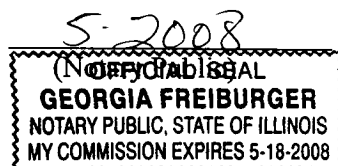
[CORPORATE SEAL]

STATE OF ILLINOISCOUNTY OF COOK

I, GEORGIA FREIBURGER, a Notary Public of the County and State aforesaid, certify that RICHARD E. SEYMOUR personally appeared before me this day and acknowledged his/her due execution of the foregoing Memorandum of Lease.

WITNESS my hand and official stamp or seal, this 27th day of May, 2005.Georgia Freiburger  
Notary Public

My Commission Expires:



LESSEE:

TOLKO INDUSTRIES LTD.

NAME: FRED H STEHLE

TITLE: CORP. SEC.

SIGNATURE: [Signature]

ATTEST:

By: Cynthia Kapicki

Name: Cynthia Kapicki

Title: Legal Assistant

Executed on this 20 day of May, 2004<sup>5</sup>

PROVINCE OF British Columbia.

DISTRICT OF \_\_\_\_\_

I, Jonathan Jones, a Commissioner of Oaths of the Province and District aforesaid, certify that FRED STEHLE personally appeared before me this day and acknowledged his/her execution of the foregoing Memorandum of Lease.

WITNESS my hand of official stamp of seal this 20 day of May, 2004<sup>5</sup>.

[Signature]  
Commissioner of Oaths

My commission expires:

Does Not Expire  
(Commissioner of Oaths)

JONATHAN A. JONES  
Barrister & Solicitor  
4th Floor, 3201 - 30 Ave.  
Vernon, BC V1T 2C6

EXHIBIT A  
TO  
MEMORANDUM OF LEASE

NUMBER OF CARS: Fifty-six (56)

DESCRIPTION OF CARS: Centerbeam rail cars, capable of a gross rail load of 268,000 lbs.

CAR NUMBERS: CBRY 2100 to CBRY 2111 inclusive,  
CBRY 2113 to CBRY 2125 inclusive,  
CBRY 2127 to CBRY 2155 inclusive,  
NOKL 730094 and NOKL 730412.